

# Status Update

February 5, 2024

## Chapter 9, Agriculture – Prairie Agricultural Machinery Institute, 2021 Report Volume 2

<b>Recommendation and Status at Time of Audit (Indicate whether new or outstanding)</b>	<b>Page</b>	<b>Current Status (implemented, partially implemented, not implemented)</b>	<b>Actions Taken to Implement Since PA Report</b>	<b>Planned Actions for Implementation</b>	<b>Timeline for Implementation</b>
<p><b>1. New Recommendation:</b> We recommend the Prairie Agricultural Machinery Institute require management to conduct a detailed review of financial information (e.g., financial reports, journal entries, reconciliations, payroll registers) prepared by staff responsible for carrying out these duties.</p>	<p>53</p>	<p>Implemented</p>	<p>PAMI has created a detailed action plan to implement specific procedures to ensure financial information is reviewed to fulfil the recommendation.</p> <p>All manual Journal Entries, with accompanied support, will be input into the accounting software (SAGE Intaact – implemented June 1st, 2023) with source documentation attached digitally for each entry.</p> <p>Transactional data such as banking reconciliations are automatically input via automated connection directly with PAMI’s banking partner (RBC). This means no more manual bank entries into our accounting software.</p> <p>All outputs of system generated journal entries are reviewed by the Controller and the President &amp; CEO before Financial Statements are completed.</p> <p>All payroll registers, with accompanied support, will be approved via email to indicate approval. The approval will be performed by the preparer’s supervisor or supervisors designate (currently approved by the President &amp; CEO on a bi-weekly</p>	<p>N/A</p>	<p>Implemented</p>

			<p>basis). This control was and will maintain as part of the review process.</p> <p>All reconciliations (including, but not limited to, bank reconciliations) will be signed (or digitally stamped) and dated to indicate approval. The approval will be performed by the preparer's supervisor or supervisors designate.</p> <p>All balance sheet accounts are reconciled monthly. Any material variances are noted and reconciled immediately.</p> <p>All contracts are signed and dated, after review by senior management. Current agreements (and proposals) that are more than \$10,000 are reviewed by the Senior Management team.</p> <p>A record of all signed documents will be retained as per the corporate retention policy.</p> <p>Timely review of financial reports will be performed with signoff monthly or as they are created/completed. This will attest to the fact that the detailed tasks performed are being tested for reasonability at a higher level of reporting.</p> <p>Segregation of duties – although PAMI has limited resources, those getting mail and those opening the mail will be segregated to ensure potential or perceived fraud will not occur.</p>		
<p><b>2. New Recommendation:</b> We recommended the Prairie Agricultural Machinery Institute require a full review of the year-end financial statements by management</p>	54	Implemented	<p>PAMI contracted Deloitte to create financial statements and they have their own internal controls which were met.</p> <p>Prior to commencement of the annual audit, management will outline all unusual items that occurred in the period and alert</p>	N/A	Implemented

			<p>the auditor to underlying business challenges impacting the results.</p> <p>Increased analysis will be completed in the areas of accrued liabilities accrued revenues, and prepaids impacting cutoff periods.</p> <p>Management reporting packages will be delivered to management monthly for review (currently the team is slightly behind as we continue to build our new financial system). The review will be followed by documented sign off to attest to this having been completed.</p> <p>A complete review of the full-year financial statements will be undertaken with management prior to commencement of the audit. With multiple resources preparing financial statements there was a version control issue at fiscal year end. All items which have variances will be corrected as they were prior to the completion of the audit.</p> <p>It has been noted that the initial copies of the Year End financial statements included issues with version control and were indeed incorrect upon submission to the auditor. All recommendations and the correct amounts were corrected prior to the release of the second version. Version control has been communicated to the financial team and a naming convention has been implemented to avoid this error in the future.</p>		
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# Status Update

February 5, 2024

## Chapter 3, Agriculture – Prairie Agricultural Machinery Institute, 2022 Report Volume 2

<b>Recommendation and Status at Time of Audit (Indicate whether new or outstanding)</b>	<b>Page</b>	<b>Current Status (implemented, partially implemented, not implemented)</b>	<b>Actions Taken to Implement Since PA Report</b>	<b>Planned Actions for Implementation</b>	<b>Timeline for Implementation</b>
<p><b>1. New Recommendation:</b> We recommended that Prairie Agricultural Machinery Institute accurately track its fee-for-service projects to enable it to properly record related revenue in its financial statements.</p>	<p>25</p>	<p>Implemented</p>	<p>Beginning in November 2022, PAMI began tracking when it invoiced all projects using a spreadsheet. In addition, employees keep invoices in either the financial system or on the network with all supporting project information (e.g., contracts).</p> <p>Having an effective process to track fee-for-service projects allows PAMI to appropriately invoice customers for work completed and correctly record fee-for-service revenue in its financial statements.</p>	<p>N/A</p>	<p>Implemented</p>
<p><b>2. Outstanding Recommendation:</b> We recommend the Prairie Agricultural Machinery Institute require management to conduct a detailed review of financial information (e.g., financial reports, journal entries, reconciliations, payroll registers) prepared by staff responsible for carrying out these duties.</p>	<p>26</p>	<p>Implemented</p>	<p>PAMI has created a detailed action plan to implement specific procedures to ensure financial information is reviewed to fulfil the recommendation.</p> <p>All manual Journal Entries, with accompanied support, will be input into the accounting software (SAGE Intaact – implemented June 1st, 2023) with source documentation attached digitally for each entry.</p> <p>Transactional data such as banking reconciliations are automatically input via automated connection directly with PAMI’s banking partner (RBC). This</p>	<p>N/A</p>	<p>Implemented</p>

			<p>means no more manual bank entries into our accounting software.</p> <p>All outputs of system generated journal entries are reviewed by the Controller and the President &amp; CEO before Financial Statements are completed.</p> <p>All payroll registers, with accompanied support, will be approved via email to indicate approval. The approval will be performed by the preparer's supervisor or supervisors designate (currently approved by the President &amp; CEO on a bi-weekly basis). This control was and will maintain as part of the review process.</p> <p>All reconciliations (including, but not limited to, bank reconciliations) will be signed (or digitally stamped) and dated to indicate approval. The approval will be performed by the preparer's supervisor or supervisors designate.</p> <p>All balance sheet accounts are reconciled monthly. Any material variances are noted and reconciled immediately.</p> <p>All contracts are signed and dated, after review by senior management. Current agreements (and proposals) that are more than \$10,000 are reviewed by the Senior Management team.</p> <p>A record of all signed documents will be retained as per the corporate retention policy.</p> <p>Timely review of financial reports will be performed with signoff monthly or as they are created/completed. This will attest to the fact that the detailed tasks performed</p>		
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			<p>are being tested for reasonability at a higher level of reporting.</p> <p>Segregation of duties – although PAMI has limited resources, those getting mail and those opening the mail will be segregated to ensure potential or perceived fraud will not occur.</p>		
<p><b>3. Outstanding Recommendation:</b> We recommended the Prairie Agricultural Machinery Institute require a full review of the year-end financial statements by management</p>	27	Implemented	<p>PAMI contracted Deloitte to create financial statements and they have their own internal controls which were met.</p> <p>Prior to commencement of the annual audit, management will outline all unusual items that occurred in the period and alert the auditor to underlying business challenges impacting the results.</p> <p>Increased analysis will be completed in the areas of accrued liabilities accrued revenues, and prepaids impacting cutoff periods.</p> <p>Management reporting packages will be delivered to management monthly for review (currently the team is slightly behind as we continue to build our new financial system). The review will be followed by documented sign off to attest to this having been completed.</p> <p>A complete review of the full-year financial statements will be undertaken with management prior to commencement of the audit. With multiple resources preparing financial statements there was a version control issue at fiscal year end. All items which have variances will be corrected as they were prior to the completion of the audit.</p>	N/A	Implemented

			<p>It has been noted that the initial copies of the Year End financial statements included issues with version control and were indeed incorrect upon submission to the auditor. All recommendations and the correct amounts were corrected prior to the release of the second version. Version control has been communicated to the financial team and a naming convention has been implemented to avoid this error in the future.</p>		
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# Status Update

February 5, 2024

## Chapter 7, Agriculture – Prairie Agricultural Machinery Institute, 2023 Report Volume 2

<b>Recommendation and Status at Time of Audit (Indicate whether new or outstanding)</b>	<b>Page</b>	<b>Current Status (implemented, partially implemented, not implemented)</b>	<b>Actions Taken to Implement Since PA Report</b>	<b>Planned Actions for Implementation</b>	<b>Timeline for Implementation</b>
<p><b>1. Outstanding Recommendation:</b> We recommended that Prairie Agricultural Machinery Institute accurately track its fee-for-service projects to enable it to properly record related revenue in its financial statements.</p>	<p>45</p>	<p>Implemented</p>	<p>Beginning in November 2022, PAMI began tracking when it invoiced all projects using a spreadsheet. In addition, employees keep invoices in either the financial system or on the network with all supporting project information (e.g., contracts).</p> <p>Having an effective process to track fee-for-service projects allows PAMI to appropriately invoice customers for work completed and correctly record fee-for-service revenue in its financial statements.</p>	<p>N/A</p>	<p>Implemented</p>
<p><b>2. Outstanding Recommendation:</b> We recommend the Prairie Agricultural Machinery Institute require management to conduct a detailed review of financial information (e.g., financial reports, journal entries, reconciliations, payroll registers) prepared by staff responsible for carrying out these duties.</p>	<p>45</p>	<p>Implemented</p>	<p>PAMI has created a detailed action plan to implement specific procedures to ensure financial information is reviewed to fulfil the recommendation.</p> <p>All manual Journal Entries, with accompanied support, will be input into the accounting software (SAGE Intaact – implemented June 1st, 2023) with source documentation attached digitally for each entry.</p> <p>Transactional data such as banking reconciliations are automatically input via automated connection directly with PAMI’s banking partner (RBC). This</p>	<p>N/A</p>	<p>Implemented</p>



			<p>means no more manual bank entries into our accounting software.</p> <p>All outputs of system generated journal entries are reviewed by the Controller and the President &amp; CEO before Financial Statements are completed.</p> <p>All payroll registers, with accompanied support, will be approved via email to indicate approval. The approval will be performed by the preparer's supervisor or supervisors designate (currently approved by the President &amp; CEO on a bi-weekly basis). This control was and will maintain as part of the review process.</p> <p>All reconciliations (including, but not limited to, bank reconciliations) will be signed (or digitally stamped) and dated to indicate approval. The approval will be performed by the preparer's supervisor or supervisors designate.</p> <p>All contracts are signed and dated, after review by senior management. Current agreements (and proposals) that are more than \$10,000 are reviewed by the Senior Management team.</p> <p>A record of all signed documents will be retained as per the corporate retention policy.</p> <p>Timely review of financial reports will be performed with signoff monthly or as they are created/completed. This will attest to the fact that the detailed tasks performed are being tested for reasonability at a higher level of reporting.</p> <p>Segregation of duties – although PAMI has limited resources, those getting mail</p>		
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			<p>and those opening the mail will be segregated to ensure potential or perceived fraud will not occur.</p> <p>All balance sheet accounts are reconciled monthly. Any material variances are noted and reconciled immediately.</p>		
<p><b>3. Outstanding Recommendation:</b> We recommended the Prairie Agricultural Machinery Institute require a full review of the year-end financial statements by management</p>	46	Implemented	<p>PAMI contracted Deloitte to create financial statements and they have their own internal controls which were met.</p> <p>Prior to commencement of the annual audit, management will outline all unusual items that occurred in the period and alert the auditor to underlying business challenges impacting the results.</p> <p>Increased analysis will be completed in the areas of accrued liabilities accrued revenues, and prepaids impacting cutoff periods.</p> <p>Management reporting packages will be delivered to management monthly for review (currently the team is slightly behind as we continue to build our new financial system). The review will be followed by documented sign off to attest to this having been completed.</p> <p>A complete review of the full-year financial statements will be undertaken with management prior to commencement of the audit. With multiple resources preparing financial statements there was a version control issue at fiscal year end. All items which have variances will be corrected as they were prior to the completion of the audit.</p> <p>It has been noted that the initial copies of the Year End financial statements included issues with version control and were indeed incorrect upon submission to the</p>	N/A	Implemented

			auditor. All recommendations and the correct amounts were corrected prior to the release of the second version. Version control has been communicated to the financial team and a naming convention has been implemented to avoid this error in the future.		
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